

IC 14-37-6

Chapter 6. Bonding

IC 14-37-6-1

Bonds required for oil and gas well applicants

Sec. 1. (a) Except as otherwise provided in this chapter, this section applies to the following:

- (1) An applicant for a permit under this article who has never been granted a permit for a well for oil and gas purposes under this article.
- (2) A person who has demonstrated a pattern of violation under this article within the previous two (2) years.
- (3) A person who has failed to pay a civil penalty imposed under IC 14-37-13.
- (4) A person who has failed to pay an annual fee required under IC 14-37-5.

(b) In addition to the annual fee required under IC 14-37-5, an applicant or a person described in subsection (a) shall execute and file with the department:

- (1) a bond of two thousand five hundred dollars (\$2,500) for each well;
- (2) a bond in any amount if the number of wells does not exceed the number determined by dividing the principal amount of the bond by two thousand five hundred dollars (\$2,500); or
- (3) a blanket bond of forty-five thousand dollars (\$45,000) for any number of wells.

As added by P.L.1-1995, SEC.30. Amended by P.L.48-2002, SEC.4.

IC 14-37-6-2

Cash or certificate of deposit instead of bond

Sec. 2. Instead of the bond required by sections 1 and 6 of this chapter, the department may accept cash or a certificate of deposit.

As added by P.L.1-1995, SEC.30.

IC 14-37-6-3

Duration of bond

Sec. 3. Each blanket bond for wells created, modified, or acquired during the duration of a bond that was accepted by the commission before March 11, 1971, must be replaced by a new blanket bond in the amount of thirty thousand dollars (\$30,000) before January 2, 2002. The new replacement bond remains in effect until:

- (1) the:
 - (A) owner or operator plugs and abandons each well covered under the blanket bond in accordance with:
 - (i) this article; and
 - (ii) rules adopted under this article; and
 - (B) bond is released by the department; or
- (2) a substitute bond is accepted by the department for each well secured by the blanket bond.

As added by P.L.1-1995, SEC.30. Amended by P.L.236-2001, SEC.1.

IC 14-37-6-4

Proof of financial ability to abandon noncommercial natural gas well

Sec. 4. Instead of a bond required by section 1 of this chapter, the commission may require a well owner or operator to provide proof of financial ability to abandon a noncommercial natural gas well. The proof must be established by a financial statement and personal guaranty.

As added by P.L.1-1995, SEC.30.

IC 14-37-6-5

Forfeiture of bond or alternative security

Sec. 5. The director shall order forfeiture of a bond or alternative security provided under this chapter when a permit is revoked under IC 14-37-13.

As added by P.L.1-1995, SEC.30.

IC 14-37-6-6

Geophysical surveying bond

Sec. 6. (a) An applicant for a permit to conduct geophysical surveying within Indiana must execute and file with the commission a bond not exceeding five thousand dollars (\$5,000).

(b) The purpose of the bond is to do the following:

(1) Provide for compliance with:

(A) this article; and

(B) the rules of the commission adopted under this article; with respect to the manner of conducting geophysical surveys.

(2) Indemnify members of the public, the state, or any of the state's political subdivisions against loss or damage caused by geophysical surveying.

As added by P.L.1-1995, SEC.30.